United Nations E/CN.7/2014/8-E/CN.15/2014/8

Economic and Social Council

Distr.: General
20 January 2014

Original: English

Commission on Narcotic Drugs
Fifty-seventh session
Vienna, 13-21 March 2014
Item 12 of the provisional agenda*
Policy directives to the drug programme of the United Nations Office on Drugs and Crime and strengthening the drug programme and the role of the Commission on Narcotic Drugs as its governing body, including administrative, budgetary and strategic management questions

Commission on Crime Prevention and Criminal Justice
Twenty-third session
Vienna, 12-16 May 2014
Item 3 (a) of the provisional agenda**
Strategic management, budgetary and administrative questions: work of the working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime

Work of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime

Note by the Secretariat

Summary

The present note has been prepared pursuant to Economic and Social Council decision 2013/246, in which the Council extended the mandate of the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime, as well as Commission on Narcotic Drugs resolutions 52/13, 54/10, 54/17 and 56/11 and Commission on Crime Prevention and Criminal Justice resolutions 18/3, 20/1, 20/9 and 22/2. The present note covers the work of the working group between 31 October 2013 and 13 January 2014. The co-chairs presented an oral report on the work of the working group from 31 October up to 10 December 2013 to the Commission on Narcotic Drugs at its reconvened fifty-sixth session and to the Commission on Crime Prevention and Criminal Justice at its reconvened twenty-second session; that information is also included in the present report for the sake of completeness. Information on the work of the working group during the period 1 February to 30 September 2013 can be found in document E/CN.7/2013/7/Add.2-E/CN.15/2013/7/Add.2.

* E/CN.7/2014/1.
** E/CN.15/2014/1.

V.14-00293 (E) 240114 270114

Please recycle

I. Deliberations

1. From 31 October 2013 to 13 January 2014, the standing open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime (UNODC) held one formal and three informal meetings. It continued to consider issues under the items of the agenda as approved by the Economic and Social Council in its decision 2011/258, by the Commission on Narcotic Drugs in its resolution 52/13 and by the Commission on Crime Prevention and Criminal Justice in its resolution 18/3 and in accordance with the terms of reference annexed to those resolutions, as well as with the provisions contained in Commission on Narcotic Drugs resolution 56/11 and Commission on Crime Prevention and Criminal Justice resolution 22/2.

2. At the meeting of the working group held on 31 October, the Secretariat provided an update on the implementation of the consolidated budget for the biennium 2012-2013 and the consolidated budget for the biennium 2014-2015 for UNODC, including in relation to the UNODC field presence, its cost structure and programme delivery from field offices. Delegations were informed that special-purpose income was expected to increase in 2012-2013, which showed that donors had confidence in UNODC programme delivery. At the same time, voluntary general purpose contributions had continued to fall. As regards the consolidated budget for 2014-2015, UNODC had reviewed its funding model, costing methodologies and funding options as a result of anticipated exponential growth in the volume and scope of technical assistance and a persistent deterioration of general-purpose income, with a view to introducing full cost recovery. Practical examples of introducing full cost recovery into UNODC field operations were provided. While most speakers agreed that full cost recovery would have a favourable effect on transparency, its implementation needed to be discussed further with Member States to ascertain its impact on field operations and technical assistance. The working group was briefed on the findings of the evaluation of UNODC done by the Office of Internal Oversight Services and on the implementation of its recommendations. The working group also considered a revised draft of the UNODC evaluation policy. The programme performance review for 2012 for the thematic programme on action against corruption was presented by the Secretariat. The working group was furthermore provided with an update of the implementation of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption and the preparations for the upcoming Conference of the States Parties to that Convention in Panama.

3. At the meeting held on 20 November, there was a question-and-answer session with UNODC senior management on the consolidated budget for the Office for the biennium 2014-2015, covering aspects such as salary costs; the definition of core functions; guidelines on the use of funds according to source; and the anticipated levels of general- and special-purpose contributions. Speakers stressed that transparency, strategic direction, reporting, integrated programming and cost-effectiveness were key for UNODC to remain competitive. Some delegations expressed their support for the full cost recovery funding model, while others underlined the need to re-evaluate existing UNODC programmes in the light of that model, particularly with regard to their efficiency and competitiveness. The

sustainability of some field offices under the full cost recovery model also needed to be reviewed. Several speakers mentioned the importance of introducing results-based management UNODC-wide and stressed the need for the Office to provide donor countries with annual, results-based reports on the use of their contributions. UNODC made a presentation on the Global Programme on Cybercrime, whose purpose was to provide cybercrime-related technical assistance and training, as well as capacity-building, clarifying that the focus was on the provision of technical assistance to Member States, at their request, so that investigators and prosecutors could develop skills in combating cybercrime. Some speakers discussed the mandate of UNODC with respect to cybercrime, the definitions used in the programme document and the absence of an international cybercrime framework. Other speakers expressed their appreciation for the programme and their support for the continued implementation of its capacity-building activity. An update on the regional programme for West Africa for the period 2010-2014 was also presented at the meeting, outlining the results and funding status of its subprogrammes on organized crime, illicit trafficking and terrorism; justice and integrity; and drug prevention and health. Some of the major challenges in the region were methamphetamine production and trafficking, smuggling of migrants, firearms trafficking and maritime piracy in the Gulf of Guinea. Finally, participants were briefed on tools to strengthen evaluation practices in field offices and UNODC programmes.

4. At the meeting held on 10 December, participants were informed of action taken by UNODC to strengthen its programme-level reporting, including, subject to availability of extrabudgetary funding, the preparation of an annual UNODC programme report, which would include global, regional and country data. At the same time, and following a thorough review of budget and funding requirements of the various global, regional and country programmes, a compendium of all UNODC funding requirements would be compiled. Those two documents could form the basis of an annual appeal event. The working group then considered the new regional programme for South-East Asia for the period 2014-2017, which supported the Governments of the region to improve capacity to deal with regional drug and crime challenges through cross-border cooperation, jointly with regional partnership mechanisms and frameworks such as the Association of Southeast Asian Nations and the Greater Mekong subregion memorandum of understanding on drug control. The programme would focus on transnational organized crime and illicit trafficking, anti-corruption activities, terrorism prevention, criminal justice, drugs and health, and alternative development. Member States also continued discussing the consolidated budget for the biennium 2014-2015 in preparation for the reconvened sessions of the Commissions, focusing on the full cost recovery model and its implementation in field offices and at headquarters. Some delegations referred to the significant implications the full cost recovery model would have for the implementation of the subprogramme on technical cooperation and field support, as outlined in the report of the Advisory Committee on Administrative and Budgetary Questions on the consolidated budget for the biennium 2014-2015. The working group considered the format and organization of its meetings with a view to improving its effectiveness. Speakers stressed the importance of the working group as a consultative body to facilitate the work of the Commissions in the intersessional period. While some were in favour of institutionalizing the working group as a permanent structure, others stressed its informal nature, as well as the

advisability of not politicizing its debates and of avoiding micromanagement, and were in favour of renewing its mandate periodically, in line with current resolutions.

5. The Executive Director addressed the formal meeting of the working group held on 13 January 2014, focusing on the introduction of a sustainable funding model for UNODC based on full cost recovery. At the meeting, the Secretariat provided an update on the implementation of the UNODC thematic programme on terrorism prevention, noting that the work also increasingly covered preventing terrorism by assisting States in establishing preventive criminal offences. The working group considered the process for the development, approval and revision of global programmes that were administered by UNODC headquarters in Vienna and that responded to challenges requiring a coordinated response at the international and/or interregional levels. Delegations reiterated that the working group remained the appropriate format for discussing such programmes. Members of the Secretariat presented examples of UNODC cooperation with civil society in implementing its programmatic work in the areas of health and HIV/AIDS; drug use prevention, treatment and rehabilitation; sustainable livelihoods; wildlife and forest crime; maritime crime; crime prevention and criminal justice reform; trafficking in persons and the smuggling of migrants; and the fight against corruption. Participants acknowledged the extensive cooperation between UNODC and civil society organizations, noting that the Office benefited from their knowledge and expertise on the ground. The chiefs of several UNODC branches and sections made presentations on the implementation status and funding situation of a number of resolutions adopted by the two Commissions in 2012 and 2013, in areas where UNODC had been receiving a large number of mandates, such as those relating to emerging forms of crime; standards and norms in crime prevention and criminal justice; drug prevention and treatment; and research. While it was stressed that the adoption of resolutions was very valuable in reinforcing or introducing mandates, it was also explained that their implementation by UNODC was often hampered by the lack of extrabudgetary funds made available to the Office. Participants were informed of the involvement of the Office in the United Nations system's work on the post-2015 development agenda, particularly in the areas of conflict prevention, post-conflict peacebuilding, rule of law and governance, in relation to issues under UNODC mandates.

II. Organizational and administrative matters

6. Under the guidance of the co-chairs, Reza Najafi (Islamic Republic of Iran) and Ignacio Baylina Ruiz (Spain), the working group held three informal meetings during the reporting period, on 31 October, 20 November and on 10 December 2013. Another informal meeting was scheduled for 12 February 2014. A formal meeting was held on 13 January 2014.

7. The Secretariat continued to provide documents and information to the working group by electronic means and in hard copy, including through a public web page (www.unodc.org/unodc/en/commissions/wg-governance-finance-2.html) set up and maintained by the Secretariat for the use of the working group on the website of UNODC, and a secure web page to provide Member States with access to information of interest.

III. Action by the Commissions

8. The Commission on Narcotic Drugs, at its reconvened fifty-sixth session, and the Commission on Crime Prevention and Criminal Justice, at its reconvened twenty-second session, elected Reza Najafi, Islamic Republic of Iran, and Ignacio Baylina Ruiz, Spain, co-chairs of the working group, in accordance with the procedure set out in Commission on Narcotic Drugs resolution 52/13 and Commission on Crime Prevention and Criminal Justice resolution 18/3.

United Nations E/CN.7/2014/9

Economic and Social Council

Distr.: General
7 January 2014

Original: English

Commission on Narcotic Drugs
Fifty-seventh session
Vienna, 13-21 March 2014
Item 10 (b) of the provisional agenda*
Implementation of the international drug control treaties: changes in the scope of control of substances

Changes in the scope of control of substances

Note by the Secretariat

Summary

The present document contains a recommendation for consideration by the Commission on Narcotic Drugs pursuant to the international drug control treaties.

Pursuant to article 12, paragraph 13, of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, the Commission is to review periodically the adequacy and propriety of Tables I and II of the Convention. Accordingly, the Commission will have before it, for review, the information transmitted by the International Narcotics Control Board pursuant to article 12, paragraph 4, of the 1988 Convention with regard to the assessment of the substance *alpha*-phenylacetoacetonitrile (APAAN) and, for consideration, the recommendation of the Board that APAAN be included in Table I of the 1988 Convention.

* E/CN.7/2014/1.

V.14-00040 (E) 140114 150114

Please recycle

I. Consideration of a notification from the International Narcotics Control Board concerning scheduling under the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988

1. The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,[1] in its article 12, paragraph 2, provides as follows:

> If a Party or the Board has information which in its opinion may require the inclusion of a substance in Table I or Table II, it shall notify the Secretary-General and furnish him with the information in support of that notification. The procedure described in paragraphs 2 to 7 of this article shall also apply when a Party or the Board has information justifying the deletion of a substance from Table I or Table II, or the transfer of a substance from one Table to the other.

2. On 20 February 2013, the Board transmitted to the Secretary-General a notification regarding the possible inclusion of *alpha*-phenylacetoacetonitrile (APAAN) in Table I of the 1988 Convention, including relevant information in support of that notification.

3. In accordance with the provisions of article 12, paragraph 3, of the 1988 Convention, the Secretary-General transmitted to all Governments, by note verbale NAR/CL.2/2013 of 8 March 2013, all relevant information submitted by the Board and a questionnaire on APAAN, requesting comments from Governments concerning the notification and all supplementary information that might assist the Board in carrying out its assessment.

4. In response to that note, as at 31 October 2013, 42 States had submitted supplementary information and comments relevant to the possible inclusion of APAAN in Table I of the 1988 Convention.

5. On 28 November 2013, the Board transmitted to the Commission on Narcotic Drugs a notification recommending that APAAN be included in Table I of the 1988 Convention (see annex).

II. Action to be taken by the Commission on Narcotic Drugs

6. In view of the supplementary information and comments received from 42 States relevant to the possible inclusion of APAAN in Table I of the 1988 Convention, the Board is of the opinion that the international control of APAAN is required in order to limit its availability for illicit drug manufacture and thus to reduce the quantity of amphetamine and methamphetamine manufactured illicitly from that substance. Therefore, the Board recommends that APAAN be placed under control of the 1988 Convention.

7. In the light of the above, and considering that APAAN exists in the form of two optical isomers, which are equally suitable for conversion into 1-phenyl-2-propanone (P-2-P), the Board recommends placing APAAN and its optical isomers into Table I of the 1988 Convention.

---

[1] United Nations, *Treaty Series*, vol. 1582, No. 27627.

Annex

Notification dated 28 November 2013 from the President of the International Narcotics Control Board to the Chair of the Commission on Narcotic Drugs at its fifty-seventh session concerning the inclusion of *alpha*-phenylacetoacetonitrile in Table I of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988

1. The President of the International Narcotics Control Board has the honour to inform the Chair of the Commission on Narcotic Drugs that the Board, in conformity with the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, article 12, paragraphs 4 and 5, has completed its assessment of *alpha*-phenylacetoacetonitrile (APAAN) for possible inclusion in Table I of the 1988 Convention.

2. The Board finds that APAAN is frequently used in the illicit manufacture of amphetamine-type stimulants, namely amphetamine and methamphetamine, and that the volume and extent of the illicit manufacture of amphetamine-type stimulants create serious public health or social problems, so as to warrant international action. The Board is therefore recommending that APAAN, including its optical isomers, be included in Table I of the 1988 Convention.

3. The assessment, findings and recommendations of the Board in respect of the substance (see appendix) have been prepared for submission to the Commission at its fifty-seventh session. Information about APAAN has also been published in the 2009,[a] 2010,[b] 2011[c] and 2012[d] reports of the Board on the implementation of article 12 of the 1988 Convention, pursuant to paragraph 13 of that article.

---

[a] *Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 2009 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (United Nations publication, Sales No. E.10.XI.4).

[b] *Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 2010 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (United Nations publication, Sales No. E.11.XI.4).

[c] *Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 2011 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (United Nations publication, Sales No. E.12.XI.4).

[d] *Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 2012 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (United Nations publication, Sales No. E.13.XI.4).

Appendix

Assessment and recommendations

A. Background

1. At its 106th session, in February 2013, concerned over the increasing number of incidents involving *alpha*-phenylacetoacetonitrile (APAAN), the International Narcotics Control Board decided to initiate and pursue the scheduling process for APAAN. On 20 February 2013 it transmitted to the Secretary-General of the United Nations a notification to that effect, containing the relevant information at its disposal.

2. In accordance with the provisions of article 12, paragraph 3, of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, the Secretary-General sent that notification, including the relevant information and a questionnaire, by note verbale NAR/CL.2/2013, dated 8 March 2013, to all States Parties and to other States, requesting that they communicate before 14 June 2013 their comments and all supplementary information that might assist the Board in carrying out its assessment.

B. Assessment

3. Article 12, paragraph 4, of the 1988 Convention stipulates the factors that the Board is to consider when assessing a substance for possible control:

> If the Board, taking into account the extent, importance and diversity of the licit use of the substance, and the possibility and ease of using alternate substances both for licit purposes and for the illicit manufacture of narcotic drugs or psychotropic substances, finds:
>
> (a) That the substance is frequently used in the illicit manufacture of a narcotic drug or psychotropic substance;
>
> (b) That the volume and extent of the illicit manufacture of a narcotic drug or psychotropic substance creates serious public health or social problems, so as to warrant international action,
>
> it shall communicate to the Commission an assessment of the substance, including the likely effect of adding the substance to either Table I or Table II on both licit use and illicit manufacture, together with recommendations of monitoring measures, if any, that would be appropriate in the light of its assessment.

4. In making its assessment in accordance with article 12, paragraph 4, of the 1988 Convention, the Board had at its disposal the information contained in its notification to the Secretary-General, as well as the comments and supplementary information received from governments pursuant to article 12, paragraph 3. The 42 governments that had responded stated either direct support for, or registered no objection to, the scheduling of APAAN.

5. In conducting its assessment, the Board has taken the following factors into consideration:

(a) APAAN is an immediate precursor of 1-phenyl-2-propanone (P-2-P), a substance in Table I of the 1988 Convention that is used in the illicit manufacture of amphetamine and methamphetamine, which, together with their salts and isomers, are included in Schedule II of the Convention on Psychotropic Substances of 1971;

(b) APAAN has no known legitimate use except — in small amounts — for purposes of research, development and laboratory analysis; there are no known industrial applications in which APAAN is used as a starting material, and there is no documented regular legitimate commerce or trade in APAAN other than in small amounts for research purposes;

(c) The current increase in the frequency of APAAN seizures and the amounts seized is related to traffickers' need to find an alternate precursor, as controls over the primary precursors, namely P-2-P and phenylacetic acid, but also ephedrine and pseudoephedrine, all of which are listed in Table I of the 1988 Convention, have improved.

C. Findings

6. In view of the above-mentioned factors, the Board finds that:

(a) The volume and extent of public health or social problems caused by the abuse of illicitly manufactured amphetamine and methamphetamine remain issues that warrant international action;

(b) APAAN is a substance that is highly suitable for the illicit manufacture of P-2-P and, subsequently, amphetamine and methamphetamine. Incidents (e.g. illicit manufacture and trafficking) involving APAAN have been known since 2006, with increasing frequency and amounts reported since 2012, especially in Europe, although countries in other regions have also been affected. Given the ease of the illicit manufacturing process, the extent of illicit use may spread further in other regions;

(c) There is no legitimate manufacture of APAAN as a final commodity, although it is an in-process intermediate in the legitimate manufacture of P-2-P, and may also be involved in the manufacture of some other chemicals. However, governments did not quantify the scale of use of such other chemicals and did not indicate alternate substances that are being used for that same purpose;

(d) Trade in APAAN for legitimate commercial purposes is limited to very small amounts for research and development. Some countries that identified imports of APAAN in the past three years did so on the basis of the substance not being controlled and hence shipments not being illicit, although not necessarily for legitimate uses;

(e) No government foresaw difficulties in supporting the scheduling of APAAN under the 1988 Convention. The availability of APAAN for limited research and development purposes is determined by the controls implemented by governments at the national level. Those controls should be structured in a manner that ensures the availability and distribution of APAAN for relevant legitimate uses;

(f) Scheduling of APAAN under the 1988 Convention would have no adverse effects on the availability of the substance for legitimate purposes.

D. Recommendations

7. The Board is of the opinion that the international control of APAAN is required in order to limit its availability for illicit drug manufacture and thus reduce the quantity of amphetamine and methamphetamine manufactured illicitly from that substance. Those controls would have no adverse effect on its availability for any of the known research and development purposes, given the very limited legitimate market for, and trade in, the substance. In view of the above, the Board recommends that APAAN be placed under control of the 1988 Convention.

8. Currently, the only difference between Table I and Table II of the 1988 Convention is the possibility for governments to invoke their right under article 12, paragraph 10 (a), of that Convention to request pre-export notifications. The scheduling of APAAN in Table I of the 1988 Convention would make it possible for governments to request pre-export notifications, which would in turn allow the monitoring of manufacture of and trade in the substance.

9. In the light of the above, and considering that APAAN exists in the form of two optical isomers, which are equally suitable for conversion into P-2-P, the Board recommends placing *alpha*-phenylacetoacetonitrile (APAAN) and its optical isomers in Table I of the 1988 Convention.